

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 AF-06 ARA-06 NEA-10 OIC-02 /132 W

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R 091939Z JUL 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 240

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

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PASS STR

E.O. 11652: NA

TAGS: ETRD, GATT

SUBJ: MTN: JULY 8 SEVEN PLUS SEVEN MEETING

1. BEGIN SUMMARY 7 PLUS 7 MEETING TUESDAY AFTERNOON SAW  
CHILLY REACTION TO U.S. PROPOSAL FOR EARLY RESULTS IN  
MTN. DEVELOPED NATIONS EMPHASIZED DIFFICULTY OF  
BALANCE IN INDIVIDUAL PACKAGES AND RELUCTANCE TO COMMIT  
TO ACHIEVING EARLY AGREEMENT WITHOUT KNOWING WHAT COULD  
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BE AGREED TO. ALSO REFLECTED SKEPTICISM THAT THERE ARE

ITEMS LENDING THEMSELVES TO EARLY AGREEMENT. LDC'S  
RESTATE IMPORTANCE OF ACCELERATING ONLY MATTERS OF  
IMPORTANCE TO THEM. INTENSIVE BILATERAL TALKS SCHEDULED.  
LENGTHY DISCUSSION OF PROCESS FOR REFORMING TRADING  
SYSTEM HELD AND INTENTION TO RAISE SUPPLY ACCESS  
SIGNALLED BY EC AND JAPAN. LONG PROPOSED FALL TNC  
MEETING WEEK DEC 9. END SUMMARY.

2. INFORMAL (AND RATHER ENLARGED ) 7 PLUS 7 GROUP MET  
LATE TUESDAY, JULY 8, CHAIRED BY GATT DIRECTOR  
GENERAL OLIVIER LONG, TO DISCUSS PLANS FOR MEETING  
OF MTN TRADE NEGOTIATIONS COMMITTEE (TNC) JULY 15-  
17. U.S., EC, JAPAN, CANADA, AUSTRALIA, NEW ZEALAND,  
SWITZERLAND, BRAZIL, ARGENTINA, PERU, INDIA, JAMAICA,  
YUGOSLAVIA AND MEXICO WERE ACTIVE PARTICIPANTS. SWEDEN,  
NORWAY, FINLAND, AUSTRIA, MALAYSIA, POLAND AND HUNGARY  
ALSO ATTENDED AS DID E.E. COUNTRY REPRESENTATIVES.

3. LONG STATED TNC IN HIS VIEW HAD FOUR TASKS: (A)  
TAKING STOCK OF WORK SO FAR, B) DRAWING UP PROGRAM OF  
WORK FOR THE FUTURE; (C) RESOLVING ISSUE OF CHAIRMANSHIPS  
OF NTM AND AGRICULTURE SUBGROUPS AND (D) TIMING OF  
NEXT TNC MEETING. HE NOTED CHAIRMAN OF GROUPS WILL  
MAKE ORAL REPORTS ON WORK OF THEIR GROUPS TO LAUNCH  
DISCUSSIONS ON POINTS (A) AND (B). 7 PLUS 7 AGREED  
THAT GENERAL STATEMENTS AND DISCUSSIONS BY DELEGATIONS  
SHOULD FOLLOW SERIES OF ORAL REPORTS BY GROUP CHAIRMAN.  
LONG URGED DELEGATIONS( READ U.S. AND EC) TO CONSULT  
AMONG THEMSELVES ON ISSUE OF REMAINING UNRESOLVED NTM  
AND AGRICULTURE SUBGROUP CHAIRMANSHIPS SO THAT BY TIME  
OF NEXT 7 PLUS 7 MEETING (MONDAY, JULY 14 AT 4 PM) QUOTE  
THIS INFELICITOUS QUESTION WILL BE FINISHED UNQUOTE.  
HE ALSO PROPOSED TNC AGREE ON WORK OF DECEMBER 9 AS  
DATE OF ITS NEXT MEETING. PLEASE ADVISE ACCEPTABILITY  
TO USG.

4. WORK PROGRAM DISCUSSION FOR TNC. EC STATED THAT THEY  
VIEWED THE UPCOMING TNC MEETING AS ROUTINE. IT SHOULD  
STIMULATE EFFORT ON WORK ON A WIDE FRONG AND AVOID DELAYS.  
ITS PURPOSE SHOULD SIMPLY BE TO SEE IF WE CAN AGREE  
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ON ENSURING PROGRESS IN THE TALKS GENERALLY WIT NO  
COMMITMENT TO EARLY RESULTS.

5. THE U.S. EMPHASIZED THE COMMITMENT OF THE UNITE  
STATES TO EARLY VISIBLE AND CONCRETE PROGRESS IN THE  
TALKS. IT SPELLED OUT PRELIMINARILY, BUT IN SUFFICIENT  
DETAIL TO AVOID MISUNDERSTANDINGS, THE PROPOSAL TO CHARGE  
WORKING GROUPS WITH RESPONSIBILITY FOR IDENTIFYING AREAS

OF POSSIBLE EARLY AGREEMENT AND THOSE OF MORE DIFFICULTY, WITH DIRECTIONS REPORT BACK TO A NOVEMBER DECEMBER TNC MEETING. U.S. EMPHASIZED THAT IT HAD NO "PACKAGE" OF SPECIFIC ITEMS TO SUGGEST FOR AGREEMENT, BUT THAT OUR PROPOSAL GOES TO THE NEGOTIATING PROCESS ITSELF AND URGES THAT WORKING GROUPS SHOULD SET SPECIFIC GOALS FOR THEMSELVES ALONG A PATH DESIGNED TO REACH AGREEMENTS AS EARLY AS POSSIBLE.

6. REACTION TO U.S. PROPOSAL WAS GUARDED AND CHILLY. IT WAS DIRECTLY CRITICIZED BY CANADA, NEW ZEALAND AND MEXICO. AUSTRALIA AND SWITZERLAND REPLIED INDIRECTLY AND LESS CRITICALLY.

7. CANADA WAS THE MOST OUTSPOKENLY CRITICAL, STATING THEY WERE MORE CONCERNED WITH OVERALL PROBLEM AND LESS WITH HASTY ACTION AND CHARACTERIZING U.S. INITIATIVE AS "COUNTER-PRODUCTIVE". THEY STATED THAT EVEN A STATEMENT BY ONE OF THE MAJOR POWERS (LET ALONG A TNC POSITION) ADVOCATING EARLY RESULTS WOULD LEAD INEVITABLY TO CROSS EXAMINATION BY THE PRESS AND OTHERS AS TO WHAT ITEMS SHOULD BE AGREED TO FIRST. EVEN TO RAISE THE ISSUE IN PUBLIC IS TO RISK RAISING EXPECTATIONS THAT CANNOT BE FULFILLED. THEREFORE, UNTIL WE KNOW WHAT WE WILL BE AGREEING TO BY WAY OF EARLIER ITEMS, TNC SHOULD NOT INDICATE PUBLICLY THAT WE SEEK ANY EARLY AGREEMENTS, ACCORDING TO CANADA.

8. NEW ZEALAND GENERALLY SUPPORTED THE CANADIAN STATEMENTS, AND EMPHASIZED THE DIFFICULTIES OF ACHIEVING BALANCED AGREEMENTS.

9. AUSTRALIA PLANTED FEET FIRMLY IN BOTH CAMPS. THEY LIMITED OFFICIAL USE

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AGREED THAT THE TNC SHOULD BE A LOW KEY REVIEW MEETINGS, WITH NO DRAMATIC INITIATIVES, AND BE AIMED PRINCIPALLY AT AVOIDING FURTHER DELAYS IN THE NEGOTIATING PROCESS. THEY THEN ACKNOWLEDGED THAT THERE MAY BE AREAS

THAT CAN BE ACCELERATED AS THE U.S. STATEMENT HAD PROPOSED, AND THAT IF SO, THEY OUGHT TO BE EXAMINED.

10. SWITZERLAND WAS LESS SPECIFIC AND GENERALLY PROPOSED A PROGRAM OF HARD WORK AND GENUINE COMMITMENT TO DEALING WITH THE PROBLEMS BEFORE THE NEGOTIATIONS.

11. INDIA, MEXICO, BRAZIL, PERU, ARGENTINA, AND JAMAICA ALL SPOKE ON THE DISAPPOINTING LACK OF PROGRESS TO DATE IN FULFILLING THE PLEDGES OF THE TOKYO DECLARATION TO

ASSIST DEVELOPING COUNTRIES AND STRESSED THE IMPORTANCE  
OF MOVING SWIFTLY TO FINALIZE A TROPICAL PRODUCTS  
PACKAGE. SEVERAL COUNTRIES INDICATED THE DESIRABILITY  
OF DOING SO BY THE END OF THE YEAR AND CANADA ALSO STATED  
IT HOPED THIS TIMETABLE COULD BE MET.

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12. THE MEETING CONTAINED NO DIALOGUE, BEING CONFINED  
TO A SERIES OF STATEMENTS. IT WAS THEREBY A PRELUDE TO THE  
TNC MEETING. HAVE SCHEDULED INTENSIVE BILATERAL CON-  
SULTATIONS (INCLUDING LONG AT HIS REQUEST) DURING NEXT  
TWO DAYS TO FURTHER EXPLAIN U.S. POSITION AND TRY TO

MUSTER SUPPORT FOR IT.

13. ON OPTION WHICH SHOULD BE CONSIDERED IS TO EXPAND THE DEFINITION OF "PROGRESS" AS EMBODIES IN U.S. POSITION, BEYOND EG CONCLUDING FINAL AGREEMENTS TO INCLUDE LIMITED OFFICIAL USE

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ALSO PROCEDURAL MILESTONES WHICH CONSTITUTE PROMISING STEPS TOWARD REACHING FINAL AGREEMENT--E.G., TABLING CONCRETE PROPOSALS, AGREEMENTS ON CODES SUBJECT TO BRACKETED LANGUAGE, AND THE LIKE. THIS COULD ACCOMPLISH THE OBJECTIVE OF EMPHASIZING THE IMPORTANCE OF PROGRESS AND ACCOMPLISHMENT IN SHORT RUN BUT AVOID SPECIFIC COMMITMENT TO EARLY CONCLUSION OF FINAL AGREEMENTS, WHICH OTHER GOVERNMENTS VIEW WITH SKEPTICISM.

14. LEARNED INDEPENDENTLY THAT GUNDELACH RECEIVED VERY CHILLY RECEPTION TO EARLY HARVEST NOTION ON CAPITOL HILL DURING RECENT WASHINGTON VISIT, INCLUDING OBSERVATION THAT FIRST AGREEMENT WE BRING BACK LIKELY TO NOT BE ENACTED BY CONGRESS. THIS HAS GREATLY CONCERNED EC AND INCREASES THEIR DISCOMFORT WITH U.S. PROPOSAL ON EARLY PROGRESS. SUGGEST USEFUL TO BRIEF CODEL ON THIS TO TRY AND AVOID MORE DAMAGE.

15. SECURITY OF SUPPLY. EC FLAGGED ITS INTENTION TO SEEK TNC AGREEMENT THAT EXPORT RESTRICTIONS AND SECURITY OF SUPPLY ARE INCLUDED AS IMPORTANT PART OF MTN WORK PROGRAM. JAPAN SECONDED THIS, CITING NEED TO DECIDE HOW TO HANDLE IN MTN. SWITZERLAND GAVE GUARDED AND HEDGED ENDORSEMENT. REACTION OF OTHER DELS RANGED FROM HOSTILITY TO POSE OF PUZZLEMENT. CANADA HAD FIRM INSTRUCTIONS FROM CABINET TO TAKE UP SUPPLY ISSUES ONLY IN SECTORS GROUP, AND WAS OPPOSED TO DEALING WITH SUBJECT THROUGH GENERAL CODE; IN ANY CASE, MORE INFORMAL DISCUSSION NEEDED BEFORE TNC COULD ADDRESS. AUSTRALIA STILL WAITING TO BE SHOWN THAT EXISTING GROUPS ON TARIFFS AND NTMS DID NOT PROVIDE SUFFICIENT COVER FOR ANY SUPPLY WORK PARTICIPANTS MIGHT WANT. LDCS (INDIA, MEXICO, PERU) WANTED MORE INFORMATION ON WHAT PROBLEMS WERE AND HOW THEY SHOULD BE ADDRESSED BEFORE ASKING TNC TO DO ANYTHING SPECIFIC. YUGOSLAVIA PUT THIS IN TERMS OF DIRECT INVITATION TO QUOTE LARGE PARTNERS UNQUOTE TO TABLE WRITTEN STATEMENTS ON SUPPLY ISSUES FOR INFORMATION OF OTHERS. LONG RECOMMENDED THAT DELS HAVE INFORMAL TALKS ON THIS SUBJECT TO CONTRIBUTE TO QUOTE CLARIFICATION UNQUOTE OF POSSIBLE LIMITED OFFICIAL USE

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TNC HANDLING, FOR DISCUSSION AT NEXT MONDAY'S 7 PLUS 7.

16. IMPROVEMENT OF TRADING FRAMEWORK. INDIA, MEXICO AND YUGOSLAVIA CITED NEEF FOR TNC TO DIRECT OPENING OF WORK ON IMPROVEMENT OF FRAMEWORK PER PARA 9 OF TOKYO DECLARATION. THEY SAY FOCUS AS MAINLY PART IV OF GATT BUT ALSO OTHER GATT PROVISIONS WHERE THERE WAS NEED TO BUILD IN SPECIAL AND DIFFERENTIAL LDC TREATMENT. SWITZERLAND, WITHOUT REFERENCE TO POSSIBLE CONTENT, THOUGHT SUBJECT SHOULD BE OPENED RATHER THAN POSTPONED.

17. DG IN RESPONSE TO THIS INDICATED THAT ALTHOUGH HE THOUGH THIS TOPIC SHOULD AWAIT FULL ENGAGEMENT OF NEGOTIATIONS ON LIBERALIZATION, HE DID HAVE SUMMER RESEARCH PROGRAM UNDERWAY IN SECRETARIAT TO PRODUCE BACKGROUND INFORMATION FOR USE OF DELS IN POSSIBLE INITIATION OF FRAMEWORK DISCUSSIONS IN SEPTEMBER AND THEREAFTER. HE CONTRASTED LACK OF PREPARATORY WORK HERE WITH OTHER AREAS OF NEGOTIATION, AND ENVISAGED 7 PLUS 7 DISCUSSIONS IN FALL TO SEE WHERE TO START, WHAT TO TAKE UP FIRST, ETC. OBJECT WOULD BE TO LAY BASE FOR JUDGEMENT BY DECEMBER TNC ON HOW TO OFFICIALLY BEGIN THIS WORK. HE ASKED FOR FURTHER DISCUSSION OF THIS APPROACH AT NEXT MONDAY'S 7 PLUS 7.

18. CANADA GAVE PRELIMINARY RESPONSE (NOTING LACK OF INSTRUCTIONS) THAT TAKING UP THESE QUOTE INSTITUTIONAL UNQUOTE QUESTIONS TOO SOON COULD BE COUNTERPRODUCTIVE GREY THOUGH MUCH MORE PRIVATE CONSULTATION AMONG DELS AND AMONG CAPITALS WAS NEEDED. (EH PRIVATELY EXPRESSED ASTONISHMENT THAT LONG WAS TAKING THIS INITIATIVE, FEARING THAT THE QUOTE REAL WORK UNQUOTE WOULD BE DIVERTED BY LEGALISTIC EXERCISES).

19. TROPICAL PRODUCTS. CANADA SAID IT COULD SUPPORT EFFORTS TO PUT TOGETHER PRODUCTS PACKAGE BY END OF THE YEAR AND THAT IT WAS PLANNING ON THAT BASIS. JAMAICA, INDIA, MEXICO, BRAZIL, YUGOSLAVIA, ARGENTINA, SWITZERLAND, AND AUSTRALIA SPECIFICALLY NOTED NEEF FOR RAPID PROGRESS IN THIS AREA. WALKER

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## Message Attributes

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